

BOUNTIFUL REDEVELOPMENT AGENCY

Meeting Minutes of: Tuesday, January 26, 2010

Location: City Council Chambers, Bountiful City Hall, 790 South 100 East, Bountiful, Utah

Present: Acting Chairman Beth Holbrook, Board Members Fred Moss, John M. Knight, Scott Meyers, Tom Tolman, City Attorney Russell Mahan, City Manager Tom Hardy, City Engineer Paul Rowland, and Redevelopment Director Aric Jensen.

Excused: Chairman, Joe Johnson

Welcome

Acting Chairman Holbrook opened the meeting at 6:55 p.m. and welcomed those in attendance.

Agenda Items

1. Consider approval of the minutes from the December 9, 2009 meeting.

Board Member Fred Moss made a motion to approve the minutes for December 9, 2009 as drafted. Board Member John M. Knight seconded the motion. Voting was unanimous in favor.

2. Consider approval of the RDA FY 2009 Audit and Managers Report.

Mr. Moss explained that he, and other Board Members, met with the auditors last week and reviewed the report.

John M. Knight made a motion to approve the RDA FY 2009 Audit and Managers Report as presented. Tom Tolman seconded the motion. Voting was unanimous in favor.

3. Consider granting a business development loan to Skills Fitness at 1525 North Main Street, applicant Rick Curtis.

Mr. Jensen presented the staff report. Mr. Curtis and some of the Skill Fitness principals were present.

Mr. Jensen stated that Skills Fitness requests a business enhancement loan for tenant improvements at their new location at Village on Main Street. Attached to the staff report is a copy of the loan application which contains detailed information regarding the company and their proposal.

In brief, Skills Fitness is a high-end fitness facility geared toward individualized training. The applicant estimates the facility will create approximately 60 new jobs, and that it will attract additional, related businesses, such as tanning salons, chiropractors, and fitness stores.

Based on existing fitness facilities in the area, it is estimated that this development will generate between \$10,000 and \$20,000 in sales tax revenues, a portion of which would be cannibalized from existing fitness developments. However, because of its location on the very north end of the City, it is anticipated that it will also draw in new customers from the Centerville and West Bountiful areas.

The applicant is requesting \$400,000, which is approximately 30% of the \$1.3 M total costs of the tenant improvements. Staff has reviewed the proposal and recommends approving a loan with the following terms and conditions:

Loan Value	\$400,000
Amortization Period	10 years
Balloon Payment (Call)	At end of 5 years
Interest Rate	3%
Payment Schedule	Monthly
Other	This offer expires January 26, 2011, is not assignable, and may not be extended

Mr. Jensen turned the time over to Mr. Larry Kocherhans to talk about the loan collateral and to answer other question from the Board Members.

Mr. Kocherhans discussed the collateral proposed to cover the loan. He presented a summary of the investor's equity position in the Village On Main. A recent appraisal by Keybank dated February 27, 2009, shows \$3.9 Million in Equity to cover the loan.

Mr. Rick Curtis, manager, discussed the operations of the facility.

The Board Members discussed operations, the project budget, loan collateral and the best use of RDA funds.

Fred Moss and Scot Meyers expressed concerns about the project and indicated that they were not comfortable with it.

Tom Hardy suggested that the item be continued to allow the attorneys time to draft a security agreement that the Committee could consider.

John Marc Knight made a motion to continue this item until such time that additional information about the security of the loan and the status of the available funds in the RDA Loan fund and the maturity dates of the current RDA Loans. Fred Moss seconded the motion. Voting was unanimous in favor.

Adjourn

Acting Chairman Holbrook ascertained that there were no other items to discuss. Board Member Scott Meyers made a motion to adjourn the meeting. Tom Tolman seconded the motion. Voting was unanimous in favor. The meeting was adjourned at 7:50 p.m.